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இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

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1950 - 2010  
60/growth & stability

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செலாவணிக் கட்டுப்பாட்டுத் திணைக்களம்

Exchange Control Department

7/8 මහල, අංක 30, ජනාධිපති මාවත,  
කො.පො. 590, කොළඹ 01, ශ්‍රී ලංකාව

7/8 மாடி, இல. 30 சனாதிபதி மாவத்தை கொழும்பு 1  
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Ref: 06/04/13/2010

22<sup>nd</sup> November, 2010

## Directions to Authorized Dealers

Dear Sir/Madam,

### Foreign Currency Accounts for Gem and Jewellery Dealers

As a measure to facilitating the policy objective of making Sri Lanka a center for manufacturing, trading and retailing of gem and jewellery, it has been decided to extend the foreign currency account facilities available to indirect and direct exporters of gem and/or jewellery to importers of gem and/or jewellery.

Accordingly, the Authorized Dealers are hereby permitted to open and maintain in their domestic units, "Foreign Currency Accounts for Gem and Jewellery Dealers" subject to terms and conditions specified below.

### 2. Eligible persons

Individuals, firms and companies engage in:-

- export of gem and/or jewellery
- import of gem and /or jewellery
- supply of finished or unfinished gem and/or jewellery to exporters

### 3. Type of account permitted

Non-chequeable, savings or fixed deposit account

### 4. Opening of accounts

A certificate should be obtained from the National Gem and Jewellery Authority confirming that the individual, firm or company is a licensed gem and/or jewellery dealer.

## **5. Permitted Credits**

- (a) Export proceeds of gems and/or jewellery received through the banking system in designated foreign currency.
- (b) Proceeds of gem and/or jewellery sold abroad and brought into the country, declared to the Sri Lanka Customs as applicable and tendered by the account holder in person to an authorized dealer.
- (c) Local receipts in foreign exchange by importers of gem and/or jewellery in the form of bank draft or bank transfer received in respect of supply of raw materials to indirect and/ or direct exporters of gem and/or jewellery.
- (d) Local receipts in foreign exchange by indirect exporters of gem and/or jewellery in the form of bank draft or bank transfer received in respect of supply of raw materials to direct exporters of gem and/or jewellery; and
- (e) Interest accrued on the funds held in the account.

## **6. Permitted Debits**

- (a) Payments in foreign exchange for import of cut and polished or rough gem stones and other raw materials, provided that imports of gem stones and other raw materials are made in conformity with the provisions of Regulations made under Imports and Exports (Control) Act, No. 1 of 1969 and published in the Government Gazette No. 1022/6 dated April 08, 1998;
- (b) Withdrawals in foreign currency notes not exceeding US\$ 50,000 at a time for purchasing cut and polished or rough gem stones and other raw materials abroad;
- (c) Withdrawals in Sri Lanka Rupees for local disbursements are freely permitted. However, such withdrawals shall not be eligible for conversion into foreign currency and for re-crediting to the account;
- (d) Payments in foreign currency to a local supplier of cut and polished or rough gem stones or jewellery which should be in the form of bank transfer or bank draft.

## **7. Minimum Balance Requirement**

An account under this scheme should be maintained with a minimum balance of at least US\$ 1000.

**8. Reporting Requirement**

Authorized Dealers are required to furnish details of each account as per attached format to the Exchange Control Department quarterly within 15 days after ending the quarter.

9. Operating instructions No.06/04/04/2008 dated 29<sup>th</sup> May 2008 is hereby rescinded and the accounts opened under the said scheme should be renamed as Foreign Currency Account for Gem and Jewellery Dealers.

Yours faithfully

  
A handwritten signature in blue ink, appearing to be 'J. M. M.', is written over the printed name 'Controller of Exchange'.

**Controller of Exchange**

**Annex**

**Name of the Bank :**

**For the quarter of**

**Foreign Currency Account for Gem & Jewellery Exporters**

<b>Account No.</b>	<b>Name of the Account Holder</b>	<b>Currency</b>	<b>Opening Balance</b>	<b>Total Credits</b>	<b>Total Debits</b>	<b>Closing Balance</b>